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C O N F I D E N T I A L SECTION 01 OF 02 ASMARA 000493

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DEPARTMENT FOR AF/E,  
LONDON AND PARIS FOR AFRICA WATCHERS

E.O. 12958: DECL: 10/07/2018

TAGS: [EAIR](#) [ECON](#) [ER](#)

SUBJECT: ERITREAN AIRLINES' DYSFUNCTIONAL OPERATIONS

Classified By: CDA Melinda C. Tabler-Stone for Reason 1.4 (d)

¶1. (C) Summary: Eritrean Airlines' operations are hampered by internal conflicts, incompetent management, and general socio-economic conditions in Eritrea. The Eritrean government appointed managers based on patronage rather than skill or experience, resulting in poor decision making and an unclear strategic vision for the airline. Passengers are regularly pulled from the aircraft after boarding, and flight attendants often do not return to Eritrea on flights to Frankfurt. End Summary.

¶2. (C) An Embassy contact familiar with Eritrean Airlines (EA) said the airline remains a going concern, despite discontinuing its Asmara-Rome-Frankfurt flights. In early August, EA's management agreed to sell the airline's 767-200 to Jordan Airways, and lease the plane back from them until all ticketed passengers' flights were completed on September ¶30. For unknown reasons, the sale was not completed and the aircraft is now back on the market. The aircraft can be viewed at [www.planemart.com](http://www.planemart.com) by searching for 767s.

¶3. (C) EA's Frankfurt route is seasonal, bringing the diaspora to and from Eritrea between July and September. Although EA ceased flying the route on September 30, the contact said the QiQline will reti landing rights in Frankfurt in the event Lufthansa stops service to Asmara. EA would then be the only direct flight from Asmara to Europe.

LONG HAUL VS. SHORT HAUL? AN INTERNAL BATTLE  
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¶4. (C) Airline management and the pilots seem to be fighting an internal battle over the airline's future direction. Management wants to sell the 767 and replace it with two MD-80/90s or a 737, and focus on being a regional carrier with flights to Khartoum, Jeddah, Nairobi, and Cairo. The pilots argue that long-haul flights are more lucrative and allow for the airline to engage in charter business during off-peak travel times when the aircraft are less active.

¶5. (C) Eritrean Airlines recently leased an MD-80 while the 767 was under repair, resulting in problems airline

management should have anticipated. Passenger and cargo loads had to be reduced by 50%, given the high altitude and short runway, in order for the plan to make it to its destination. The pilots have confronted the airline on management's desire to swap the 767 for two MD-80s (or 90s), which the pilots say will be uneconomical and would not allow the airline to fly to Frankfurt or participate in lucrative charter service. It's unclear at this time how this disagreement will play out.

#### CHARTER OPPORTUNITIES

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¶16. (C) According to the contact, charter companies approach Eritrean Airlines 10 to 15 times per year to contract charter flights, but airline management refuses the deals. Many charter companies demanded that EA maintain a spare engine to minimize an aircraft's downtime if an engine needs maintenance. The cost of the engine would be recovered after a few chartered flights. The GSE decided not to make this investment.

¶17. (C) Before the recent border incident with Djibouti, the contact said un-named Djiboutians offered to utilize the 767 for charters purposes when it was not in use. They would have added millions to EA's bottom line, but the offer was refused.

¶18. (C) EA's 767 is contracted to fly 20 chartered flights from Mali to Jeddah for the Hajj, without a stop in Asmara. However, a different airline contact said the departure point

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was Nigeria and would include the Asmara leg. Although the airline could conceivably run cargo on its empty leg, the contact doubts EA's management will make any agreements.

#### PASSENGERS PULLED FROM PLANES AFTER BOARDING

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¶19. (C) On nearly every EA flight, between one and five passengers are removed from the plane after boarding. The contact stated that in one instance the plane had already taxied to the end of the runway for takeoff when the tower called the plane back to check a passenger's foreign currency declaration card. My contact believes that even if the flight were airborne and ordered by the tower to return to Asmara, the pilots would comply.

#### FLIGHT ATTENDANTS' FLIGHT, AND CAPTAINS' POOR HEALTH

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¶110. (C) EA loses one or two of the flight's seven flight attendants as asylum seekers on every flight to Frankfurt, including one flight in mid August when five of the seven deserted. The contact also said neither of EA's 2 captains could pass the required medical tests to retain their licenses if the tests were conducted by objective doctors, adding that Eritrean physicians were paid to give the captains a clean bill of health.

¶111. (C) Comment: QE's operations provide yet another example of the Eritrean government's abysmal track record of running businesses. The airline declined, without explanation, many opportunities to earn hard currency revenue from the lucrative charter business. Even when airline management agrees to charter their aircraft, they ignore additional profit-making opportunities, such as hauling cargo on the empty leg. EA's management practices further demonstrate that the Eritrean government views domestic businesses as merely tools of government policy, rather than independent profit-earning entities. End Comment.

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